REMARKS

By this amendment, no claims have been added, cancelled, or amended. Hence, Claims 1-20 are pending in the application.

INTERVIEW SUMMARY

The Applicants thank the Examiner for the Interview conducted on February 29, 2005. The interview was between Examiner Young and the Applicants' Attorney, Christopher J. Brokaw. Pending Claim 1 that was rejected in the Office Action was discussed along with US Application No. 2004/0003398 to Donian ("*Donian*"). In particular, the discussion focused on the advantages provided by the approach of Claim 1 and the elements of Claim 1 that the Applicants respectfully submit are not shown, taught, or suggested by *Donian*. No agreement during the interview was reached.

SUMMARY OF THE REJECTIONS

The Office Action rejected Claims 1-20 under 35 U.S.C. §103(a) as being obvious over *Donian*. Specifically, the Office Action states that it would have been obvious at the time the invention was made to a person having ordinary skill in the art that the disclosure of *Donian* implicitly shows the elements and limitations of the claims. However, Applicants respectfully submit that *Donian* does not expressly or inherently teach every element of the claimed invention. Therefore, the Office Action fails to present a *prima facie* case of obviousness, and the rejection of Claims 1-20 under §103(a) is respectfully traversed.

CLAIM 1 IS PATENTABLE OVER THE CITED ART

Claim 1 recites,

A method for determining which advertisements to include with
electronic content delivered to users over a network, the method
comprising the steps of:
storing sequence information that indicates a sequence for a plurality of
advertisements, wherein each of said plurality of advertisements
is associated with corresponding delivery criteria;
receiving a request to provide over said network a piece of electronic
content that includes a slot for an advertisement;
comparing slot attributes of said slot with delivery criteria of said
advertisements to determine a subset of said plurality of
advertisements which qualify for inclusion in said slot; and
from said subset of advertisements, selecting an advertisement to
include in the slot based, at least in part, on relative positions,
within said sequence, of the advertisements in said subset.

The above combination of elements is not disclosed, taught, or suggested by *Donian*.

Applicants concede that at a high level, both the pending claims and *Donian* are

directed towards placing advertisements in requested content. It is also acknowledged that

the axiom of "know thy audience" was well recognized by advertisers, who were more likely

to advertise beer during a football game than during a Saturday morning cartoon, and

likewise were more likely to advertise a children's toy during a Saturday morning cartoon

than during a football game. However, beyond these sparse generalities, there is little in

common between the pending claims and the approach of *Donian*.

The approach of Claim 1

The approach of Claim 1 is directed towards the process of selecting which advertisements to include in content. The approach of Claim 1 features numerous advantages over prior approaches. For example, as explained in the Applicants' specification (See pages 1-6), a prior approach, entitled the most-behind-first approach, for selecting which advertisements to include in content may lead to perceived or actual unfairness since an advertiser could contract for a higher delivery obligation than the advertiser actually desires. In such a case, an advertiser who contracts for a higher delivery obligation than the advertiser actually desires may cause advertisements of advertisers who contracted earlier, but with more realistic delivery obligations, to cease to be selected for inclusion within content.

Advantageously, the approach of Claim 1 overcomes this disadvantage, as well as other disadvantages, by storing sequence information that indicates a sequence for a plurality of advertisements. For example, the sequence may reflect the relative times at which the provider incurred the delivery obligations associated with the advertisements. After the sequence has been established, the position of advertisements within the sequence is used as one of the factors for determining which advertisement to place in a slot, where advertisements nearer the beginning of the sequence (advertisements with earlier-incurred delivery obligations) are favored over advertisements that are nearer the end of the sequence (advertisements with later-incurred delivery obligations).

In determining which advertisement to include in electronic content, the approach of Claim 1 performs the step of "comparing slot attributes of said slot with delivery criteria of said advertisements to determine a subset of said plurality of advertisements which qualify for inclusion in said slot." As is described in the Applicants' specification in numerous locations (such as paragraphs 2-16 and 22-32), a slot is a position in a particular piece of

content into which advertisements may be placed. For example, paragraph 7 of the

Applicants' specification explains:

> For the purpose of explanation, a particular delivery of a particular piece of
> content can be considered to have a specific number of "slots" into which
> advertisements may be placed. For example, a particular web page that is
> being delivered to a particular user may include two slots for advertisements:
> one slot for a horizontal banner at the top of the page, and one slot for vertical
> banner on the right hand side of the page. Similarly, a particular video feed
> may have one slot for a one-minute video clip advisement at the start of the
> feed, and one slot for a two-minute video clip advertisement during the middle
> of the feed.

Slot attributes, as described in the Applicants' specification in numerous locations

(such as paragraphs 2- 16 and 22-32), are those attributes of a slot that may be compared with

delivery criteria of an advertisement to determine if the advertisement qualifies for inclusion

in the slot. For example, paragraph 8 of the Applicants' specification explains:

> Each slot is associated with a set of "slot attributes". The slot attributes
> associated with a slot may include, for example, the nature of the content that
> contains the slot, the size and placement of the slot within that content, and the
> characteristics of the user to which the content is being delivered. For
> example, a slot may have the attributes: "content = web page containing sports
> story", "recipient = 29 year old male", "size = large banner", "placement = top
> of page". To determine whether a particular advertisement can be placed in a
> particular slot, the delivery characteristics of the advertisement are compared
> to the slot attributes of the slot.

Delivery criteria, as described in the Applicants' specification in numerous locations

(such as paragraphs 2- 16 and 22-32), are those criteria of an advertisement that are compared

to the slot attributes of a slot to determine if the advertisement qualifies for inclusion in the

slot. For example, paragraphs 4, 5, and 26 of the Applicants' specification explains:

> The effectiveness of an advertisement greatly depends on the circumstances
> under which it is received. For example, an advertisement about football
> merchandise is more likely to be effective when viewed by people interested
> in football, than when viewed by people interested in breakthroughs in the
> treatment of arthritis. Consequently, the contract between the advertiser and
> the provider frequently specifies the conditions under which the provider will

provide an advertisement. Such conditions, referred to herein as the "delivery conditions" of the advertisement, may include such specifics as (1) the manner of including the advertisement in the content (e.g. what size and position on a web page), (2) criteria for content that the advertisement will accompany, and (3) criteria for the users to which the advertisement should be delivered. For example, a seller of football merchandise may require that its advertisement be delivered on the top of pages that contain news stories relating to football, and where the recipients are males between the ages of 20 and 50.

In addition to the delivery conditions, the contract between the advertiser and the provider also identifies specific "delivery obligations". The delivery obligations set forth the advertisers obligations relative to delivering the advertisement. The delivery obligation for a particular advertisement may, for example, obligate the provider to provide 10,000 "ad-views" of the advertisement during a particular time period. Each time a content provider provides to a user content that includes the particular advertisement, an "ad-view" of the particular advertisement is said to have occurred.

According to one embodiment, the selection process takes these factors into account by selecting which ad to insert into a slot based on the following rules:
(1) filter out all advertisements that have delivery criteria that are not satisfied by the attributes of the slot;
(2) filter out all advertisements that are not in the highest remaining priority class;
(3) filter out all advertisements whose delivery obligations are on track to be satisfied; and
(4) select the remaining ad that is associated with the earliest order date.

Also featured in Claim 1 is the step of "from said subset of advertisements, selecting an advertisement to include in the slot based, at least in part, on relative positions, within said sequence, of the advertisements in said subset." This step is explained in the Applicants' specification in numerous locations, including paragraphs 23 and 24, which explain:

After the schedule sequence has been established, the position of competing advertisements within the schedule sequence is used as one of the factors for determining which competing ad to place in a slot, where ads nearer the beginning of the sequence (ads with earlier-incurred delivery obligations) are favored over ads that are nearer the end of the sequence (ads with later-incurred delivery obligations). For example, if all other factors are equal, the selection mechanism would select ad X over ad Y due to the fact that ad X is positioned ahead of ad Y in the schedule sequence.

Various benefits result from using the obligation sequence of ads as a factor in the selection of which of the competing ads to include in a slot. Specifically, when the order date is a selection factor, the service level that an advertiser will actually receive is much more predictable at the time the contract is formed, since later-formed contracts are less able to adversely affect the level of service the advertiser will receive. Similarly, latecomers are less able to game the system, since they are less able to shift slots from earlier-formed contracts to themselves by inflating the delivery obligations associated with their advertisements.

Further, paragraphs 25-32 and FIG. 1 of the Applicants' specification provide an illustrative example involving the performance of the above-quoted step.

It was suggested during the Interview that the phrase "based, at least in part, on relative positions" featured in the above-quoted element may be vague. The above-quoted paragraphs, and the example described in paragraphs 25-32 and FIG. 1 of the Applicants' specification, make clear that the relative positions, within the sequence, of the advertisements is a factor, but need not be dispositive, of which advertisement is to be selected for inclusion in a slot. In other words, as explained in paragraphs 22-23 of the Applicants' specification:

> According to one embodiment, the sequence reflects the relative times at which the provider incurred the delivery obligations associated with the advertisements. For example, if a provider incurs delivery obligations for ad X before incurring delivery obligations for ad Y, then ad X would precede ad Y in the schedule sequence. According to one embodiment, the date on which an advertisement order is placed is considered to be the date on which the corresponding delivery obligations are incurred.
>
> After the schedule sequence has been established, the position of competing advertisements within the schedule sequence is used as one of the factors for determining which competing ad to place in a slot, where ads nearer the beginning of the sequence (ads with earlier-incurred delivery obligations) are favored over ads that are nearer the end of the sequence (ads with later-incurred delivery obligations). For example, if all other factors are equal, the selection mechanism would select ad X over ad Y due to the fact that ad X is positioned ahead of ad Y in the schedule sequence.

Further, it is respectfully submitted that the element of "from said subset of advertisements, selecting an advertisement to include in the slot based, at least in part, on relative positions, within said sequence, of the advertisements in said subset" clearly identifies that the relative positions, within the sequence, of the advertisements in the subset is a factor, and may not be dispositive, of the determination of which advertisement to select for inclusion within a slot. For example, as shown in FIG. 1, other factors, such as priority class (see step 108 in FIG. 1) may take precedence over the factor of the relative positions, within the sequence, of the advertisements (see step 116 in FIG. 1). Thus, it is respectfully submitted that Claim 1 particularly points out and distinctly claims the subject matter that the Applicants regard as their invention in compliance with 37 C.F.R. § 1.75.

What *Donian* teaches

Donian sheds little light on the process of selecting which advertisements to include in content. At best, *Donian* discloses that advertisements should be appropriate for the content in which they are included (See paragraphs 155 and 169). However, *Donian* completely lacks any discussion of the concept of arranging a plurality of advertisements in a sequence, let alone "storing sequence information that indicates a sequence for a plurality of advertisements" as required by Claim 1. Further, the portion of *Donian* cited to show this element (Paragraphs 10, 43, 52, 155, 143, 147, 148, 269, Abstract, FIG. 1, FIG. 6A, FIG. 7A, FIG. 7B, and FIG. 11C, and the whole document) does not even suggest "storing sequence information that indicates a sequence for a plurality of advertisements, wherein each of said plurality of advertisements is associated with corresponding delivery criteria." Indeed, no portion of *Donian* even suggests that the approach of *Donian* takes into account a sequence that is associated with the advertisements.

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As *Donian* lacks any suggestion of selecting an advertisement based on a relative position of the advertisement within a sequence of advertisements, it follows that *Donian* cannot possibly show "selecting an advertisement to include in the slot <u>based, at least in part, on relative positions, within said sequence, of the advertisements in said subset</u>" as required by Claim 1. The portion of *Donian* cited to show this element (Paragraphs 10, 43, 52, 155, 143, 147, 148, 269, Abstract, FIG. 1, FIG. 6A, FIG. 7A, FIG. 7B, and FIG. 11C, and the whole document) does not suggest how advertisements are selected for inclusion in content beyond the well-known axiom of "know thy audience," e.g., paragraph 169 mentions that "the program selects appropriate ads to go with the media request list." Thus, *Donian* fails to teach the above-quoted limitation of Claim 1.

As at least one element of Claim 1 is not disclosed, taught, or suggested by *Donian*, it is respectfully submitted that Claim 1 is patentable over the cited art, and is in condition for allowance.

CLAIMS 2-20 ARE PATENTABLE OVER THE CITED ART

Claim 11 is an independent claim that recites elements similar to those discussed above with respect to Claim 1, except that Claim 11 is recited in computer-readable medium format. Consequently, for at least the reasons given above with respect to Claim 1, it is respectfully submitted that Claim 11 is also patentable over *Donian*, and is in condition for allowance.

Claims 2-20 are dependent claims, each of which depends (directly or indirectly) on one of the claims discussed above. Each of Claims 2-20 is therefore allowable for the reasons given above for the claim on which it depends. In addition, each of Claims 2-20 introduces one or more additional limitations that independently render it patentable.

However, due to the fundamental differences already identified, to expedite the positive resolution of this case a separate discussion of those limitations is not included at this time, although the Applicants reserve the right to further point out the differences between the cited art and the novel features recited in the dependent claims.

CONCLUSION

For the reasons set forth above, it is respectfully submitted that all of the pending claims are now in condition for allowance. Therefore, the issuance of a formal Notice of Allowance is believed next in order, and that action is most earnestly solicited.

The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application.

To the extent necessary, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any fee shortages or credit any overages Deposit Account No. 50-1302.

Respectfully submitted,
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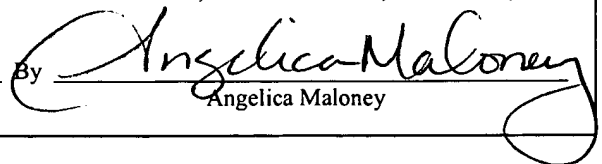
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